

Michael Christian, ISB No. 4311  
Hannah Anadazola, ISB No. 10664  
SMITH + MALEK, PLLC  
101 S Capitol Blvd, Ste 930  
Boise, ID 83702  
P. (208) 473-7009  
F. (208) 473-7661  
E: mike@smithmalek.com  
E: hannah@smithmalek.com

*Attorneys for Defendants*

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF IDAHO

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THOMAS G. ROLAND, MARCIA R.  
ROLAND, RANDALL C. KAUFFMAN,  
THANA M. KAUFFMAN, BRETT L.  
MOORE, KATHLEEN A. MOORE,  
RICHARD PETERSON, GREGORY  
SEMON, and TERRI SEMON, on behalf of  
themselves and all others similarly situated

Plaintiffs,

vs.

ALTA MESA RESOURCES, INC., ALTA  
MESA SERVICES, LP, ALTA MESA  
HOLDINGS, LP, AM IDAHO LLC, HIGH  
MESA HOLDINGS, LP, HIGH MESA  
SERVICES, LLC, and NORTHWEST GAS  
PROCESSING LLC, (including affiliated  
predecessors and affiliated successors),

Defendants.

Case No.: 19-212

NOTICE OF REMOVAL TO FEDERAL  
COURT

[28 U.S.C. § 1332]

[Removed from the District Court of the  
Third Judicial District of the State of Idaho,  
in and for the County of Payette,  
Case No. CV38-19-0201]

Trial date: None

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**NOTICE OF REMOVAL**

Please take notice that, pursuant to 28 U.S.C. §§ 1441 and 1446, Defendants Alta Mesa Resources, Inc., Alta Mesa Services, LP, Alta Mesa Holdings, LP, AM Idaho LLC, High Mesa

Holdings, LP, High Mesa Services, LLC, and Northwest Gas Processing, LCC (“Defendants”) remove an action commenced in the District Court of the Third Judicial District of the State of Idaho, in and for the County of Payette, in which all jurisdictional requirements imposed by 28 U.S.C. 1332, have been met.

## **I. Procedural Background**

1. On or about March 1, 2019, Plaintiffs Thomas G. Roland, Marcia R. Roland, Randall C. Kauffman, Thana M. Kauffman, Brett L. Moore, Kathleen A. Moore, Richard Peterson, Gregory Semon, and Terri Semon (“Plaintiffs”) initiated this civil action with the filing of a Class Action Complaint (“Complaint”) in the District Court of the Third Judicial District of the State of Idaho, in and for the County of Payette, Case No. CV38-19-0201.

2. Plaintiffs’ Complaint asserts claims against each of the Defendants for: (i) breach of lease, and (ii) fraud by omission. These claims concern oil and gas leases entered into between Plaintiffs and Defendants. *Complaint*, ¶¶ 7-11. Specifically, these claims arise out of allegations that Defendants did not properly account for and pay royalty for gas to Plaintiffs in accordance with the executed oil and gas leases. *Id.* at ¶¶ 90-103.

3. Plaintiffs filed their Complaint in the District Court of the Third Judicial District of the State of Idaho, which is located within the jurisdictional boundaries of the United States District Court for the District of Idaho. Removal to this Court is therefore proper pursuant to 28 U.S. Code § 1441(a).

## **II. Removal Is Proper Based On Diversity of Citizenship Jurisdiction.**

4. The basis for removal is diversity of citizenship. Under 28 U.S.C. § 1332(a), United States District Courts have jurisdiction over all civil actions where the matter in

controversy exceeds \$75,000, exclusive of interest and costs, and is between citizens of different states.

*A. There is complete diversity among parties.*

5. In order to qualify for diversity of citizenship jurisdiction, all of the named plaintiffs' citizenships must be completely diverse from all the named defendants' citizenships, excluding nominal, fraudulent and/or sham defendants. *See Grupo Data/ha v. Atlas Global Group, LP*, 541 U.S. 567, 571 (2004).

6. Plaintiffs are citizens of Idaho. *Complaint*, ¶¶ 7-11.

7. Alta Mesa Resources, Inc. is a corporation organized under Delaware law with its principal place of business in Texas. The federal diversity jurisdiction statute provides that “a corporation shall be deemed to be a citizen of any State by which it has been incorporated and of the State where it has its principal place of business.” 28 U.S.C. § 1332(c)(1). Alta Mesa Resources, Inc. may be considered a citizen of Delaware or Texas. It is not a citizen of Idaho.

8. Alta Mesa Services, LP is a limited partnership organized under Texas law. the citizenship of a limited partnership is determined by the citizenship of all its members. *See C.T. Carden v. Arkoma Associates*, 494 U.S. 185, 194, 110 S.Ct. 1015, 1021, 108 L.Ed.2d 157, 168 (1990). Alta Mesa Services, LP’s sole member is Alta Mesa Holdings, LP a Texas limited Partnership. Alta Mesa Holdings, LP is a subsidiary of Alta Mesa Resources, Inc. The citizenship of Alta Mesa Holdings, LP is Delaware or Texas. Alta Mesa Services, LP may be considered a citizen of Delaware or Texas. It is not a citizen of Idaho.

9. Alta Mesa Holdings, LP is a limited partnership organized under Texas law. Alta Mesa Holdings, LP’s sole member is Alta Mesa Resources, Inc., a Delaware corporation with its

principal place of business in Texas. Alta Mesa Holdings, LP may be considered a citizen of Delaware or Texas. It is not a citizen of Idaho.

10. AM Idaho LLC is a limited liability company organized under Texas law. The citizenship of a limited liability company is determined by the citizenship of its members. *Johnson v. Columbia Props. Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006). AM Idaho LLC's member is High Mesa Holdings, LP, a limited partnership organized under Delaware law, whose partners are citizens of Texas and New York. Accordingly, AM Idaho LLC is not a citizen of Idaho.

11. High Mesa Holdings, LP is a limited partnership organized under Delaware law. High Mesa Holdings, LP's members are citizens of Texas and New York. Accordingly, High Mesa Holdings, LP is not a citizen of Idaho.

12. High Mesa Services, LLC is a limited liability company organized under Delaware law. High Mesa Services, LLC's sole member is High Mesa Holdings, LP, which is a citizen of Texas or New York. Thus, High Mesa Services, LLC is not a citizen of Idaho.

13. Northwest Gas Processing, LLC is a limited liability company organized under Delaware law. Northwest Gas Processing, LLC's members are citizens of Texas, Arkansas and Louisiana. Accordingly, Northwest Gas Processing, LLC is not a citizen of Idaho.

14. Because the citizenship of the plaintiffs is different from that of each of the Defendants, there is complete diversity of citizenship. *Hunter v. Philip Morris USA*, 582 F.3d 1039, 1043 (9th Cir. 2009); 28 U.S.C. §§ 1332(a), 1441(b).

*B. The amount in controversy threshold has been satisfied.*

15. Plaintiffs' Complaint does not specify a particular amount of damages.

16. In a removal of an action based on diversity jurisdiction, if the state court complaint does not specify the amount of damages sought, the removing defendant bears the burden of showing, by a preponderance of the evidence, that the amount in controversy exceeds the statutory minimum. *Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398, 404 (9th Cir. 1996).

17. Although no amount is alleged, Plaintiffs' Complaint references "[t]he extraordinarily large dollars at stake." *Complaint*, ¶ 82.

18. Plaintiffs' Complaint sets forth a detailed list of the damages being claimed. Specifically, Plaintiffs assert that:

- a. "As a result of Defendants' breaches, Plaintiffs and the Class have been damaged through underpayment of the actual amounts due for which they are entitled to recover" *Complaint*, ¶ 94;
- b. They were underpaid for monthly royalties "as a direct and proximate result of Defendants' tortious fraudulent omissions" *Complaint*, ¶ 102; and
- c. Have incurred legal fees and costs. *Complaint*, ¶ 104.

### **III. All Additional Requirements for Removal Have Been Satisfied.**

19. Defendants first received a copy of the Complaint on May 22, 2019. This Notice of Removal is, therefore, timely under 28 U.S. Code § 1446(b)(1).

20. Pursuant to 28 U.S.C. § 1446(a), the following documents are attached as Exhibits:

- a. The state court docket sheet is attached as **Exhibit A**;
- b. A copy of the Complaint is attached as **Exhibit B**;
- c. A copy of the Acknowledgment of Service **Exhibit C**;

- d. A copy of the Summons to Alta Mesa Resources, Inc. is attached as **Exhibit D**;
- e. A copy of the Summons to Alta Mesa Services, LP is attached as **Exhibit E**;
- f. A copy of the Summons to Alta Mesa Holdings, LP is attached as **Exhibit F**;
- g. A copy of the Summons to AM Idaho LLC is attached as **Exhibit G**;
- h. A copy of the Summons to High Mesa Holdings, LP is attached as **Exhibit H**;
- i. A copy of the Summons to High Mesa Services, LLC is attached as **Exhibit I**;
- j. A copy of the Summons to Northwest Gas Processing, LLC is attached as **Exhibit J**.

21. Concurrent with the filing of this Notice, Defendants are filing a Notice of Filing of Notice of Removal with the Clerk of the District Court of the Third Judicial District of the State of Idaho in compliance with 28 U.S.C. § 1446(d). A copy of said Notice of Filing of Notice of Removal is attached hereto as **Exhibit K**.

WHEREFORE, having met all the requirements for removal under 28 U.S.C. §§ 1441 and 1446, including all jurisdictional requirements established by 28 U.S.C. § 1332, Defendants hereby remove the above captioned case to the United States District Court for the District of Idaho.

DATED this 12th day of June, 2019

SMITH + MALEK, PLLC

By: /s/ Michael Christian

Michael Christian, ISB No. 4311

Attorney for Defendants

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 12th day of June, 2019 I filed the foregoing with the Clerk of the Court electronically through the CM/ECF system, which caused the following parties or counsel to be served by electronic means, as more fully reflected on the Notice of Electronic Filing:

Vaughn Fisher: vaughn@frhtriallawyers.com  
Jeremiah Hudson: jeremiah@frhtriallawyers.com

On June 12th, 2019 the undersigned certifies that on this day she caused to be served in the manner via U.S. Mail and Email, a copy of the document to which this certificate is attached, on the following counsel of record:

Reagan E. Bradford  
100 E. California Ave., Suite 200  
Oklahoma City, OK 73104  
Reagan.Bradford@LanierLawFirm.com

Rex A. Sharp: rsharp@midwest-law.com  
Barbara C. Frankland: bfrankland@midwest-law.com  
Scott B. Goodger: sgoodger@midwest-law.com  
5301 W. 75th Street  
Prairie Village, KS 66208

By: /s/ Michael Christian  
Michael Christian, ISB No. 4311